

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

WS-03478A

Far West Water & Sewer, Inc.

12486 Foothill Blvd.

Yuma AZ 853670000

(Sewer)

RECEIVED

OCT 11 2005

AZ Corporation Commission
Director of Utilities

ANNUAL REPORT

FOR YEAR ENDING

| | | |
|----|----|------|
| 12 | 31 | 2004 |
|----|----|------|

FOR COMMISSION USE

| | |
|-------|----|
| ANN05 | 04 |
|-------|----|

COMPANY INFORMATION

Company Name (Business Name) Far West Sewer Co.

Mailing Address 12486 Foothills Blvd

(Street)

Yuma

(City)

Arizona

(State)

85367

(Zip)

(928) 342-3344

Telephone No. (Include Area Code)

(928) 345-2199

Fax No. (Include Area Code)

(928) 502-2236

Pager/Cell No. (Include Area Code)

Email Address hsloyd@thefoothillsonline.com

Local Office Mailing Address Same

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address

MANAGEMENT INFORMATION

Management Contact: James "Dusty" Thomas

(Name)

Director of Operations

(Title)

12486 Foothills Blvd

(Street)

Yuma

(City)

AZ

(State)

85367

(Zip)

(928) 342-3344

Telephone No. (Include Area Code)

(928) 342-7108

Fax No. (Include Area Code)

(928) 580-1296

Pager/Cell No. (Include Area Code)

Email Address dtepez@thefoothills.com

On Site Manager: Mark Keveney

(Name)

12486 Foothills Blvd

(Street)

Yuma

(City)

Arizona

(State)

85367

(Zip)

(928) 342-3344

Telephone No. (Include Area Code)

(928) 342-7108

Fax No. (Include Area Code)

(928) 210-0769

Pager/Cell No. (Include Area Code)

Email Address mkeveney@thefoothillsonline.com

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Lloyd H. Sunderman

(Name)

1409 South Fifth Avenue Yuma Arizona 85364
(Street) (City) (State) (Zip)

(928) 782-5786 (928) 783-8251 (928) 502-2236
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: Norman D. James

(Name)

3003 N. Central Avenue Phoenix Arizona 85012-2913
(Street) (City) (State) (Zip)

(602) 916-5000 (602) 916-5546
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|-----------------------------------|--|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input checked="" type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

Far West Sewer Company

UTILITY PLANT IN SERVICE

| Acct. No. | DESCRIPTION | Original Cost (OC) | Accumulated Depreciation (AD) | O.C.L.D. (OC less AD) |
|--------------|---------------------------------|--------------------------|-------------------------------------|--------------------------|
| 351 | Organization | Schedule Attached | | |
| 352 | Franchises | | | |
| 353 | Land and Land Rights | | | |
| 354 | Structures and Improvements | | | |
| 355 | Power Generation Equipment | | | |
| 360 | Collection Sewers – Force | | | |
| 361 | Collection Sewers – Gravity | | | |
| 362 | Special Collecting Structures | | | |
| 363 | Services to Customers | | | |
| 364 | Flow Measuring Devices | | | |
| 365 | Flow Measuring Installations | | | |
| 370 | Receiving Wells | | | |
| 380 | Treatment and Disposal Equip. | | | |
| 381 | Plant Sewers | | | |
| 382 | Outfall Sewer Lines | | | |
| 389 | Other Plant and Misc. Equipment | | | |
| 390 | Office Furniture and Equipment | | | |
| 391 | Transportation Equipment | | | |
| 393 | Tools, Shop and Garage Equip. | | | |
| 394 | Laboratory Equipment | | | |
| 395 | Power Operated Equipment | | | |
| 398 | Other Tangible Plant | | | |
| | TOTALS | 14,437,703 | 1,677,948 | 12,759,755 |

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME:

FAR WEST SEWER COMPANY

December 31, 2004

UTILITY PLANT IN SERVICE
(Schedule for Page 4)

| ACCT | DESCRIPTION | ORIGINAL COST (OC) | ACCUMULATED DEPRECIATION (AD) | O.C.L.D. (OC LESS AD) |
|-------|--|--------------------------|-------------------------------------|--------------------------|
| 351 | Organization | | | |
| 352 | Franchises | 3,076 | 0 | 3,076 |
| 353 | Land and Land Rights | 82,567 | 0 | 82,567 |
| 354 | Structures and Improvements | 213,157 | 22,212 | 190,945 |
| 355 | Power Generating Equipment | | | |
| 360 | Collection Sewers - Force | 423,126 | 51,902 | 371,224 |
| 361 | Collection Sewers - Gravity | 7,689,131 | 554,154 | 7,134,977 |
| 362 | Special Collecting Structures | | | |
| 363 | Services to Customers | | | |
| 364 | Flow Measuring Devices | 37,103 | 27,163 | 9,940 |
| 365 | Flow Measuring Installations | | | |
| 366 | Reuse Services | | | |
| 367 | Reuse Meters & Meter Installation | | | |
| 370 | Receiving Wells | | | |
| 371 | Pumping Equipment | 192,774 | 71,803 | 120,971 |
| 374 | Reuse Distribution Reservoirs | | | |
| 375 | Reuse Transmission & Distribution System | | | |
| 380 | Treatment & Disposal Equipment | 5,444,879 | 845,517 | 4,599,362 |
| 381 | Plant Sewers | 20,168 | 2,329 | 17,839 |
| 382 | Outfall Sewer Lines | | | |
| 389 | Other Plant & Miscellaneous Equipment | 16,044 | 6,151 | 9,893 |
| 390 | Office Furniture and Equipment | 7,530 | 729 | 6,801 |
| 390.1 | Computers and Software | 13,442 | 9,171 | 4,271 |
| 391 | Transportation Equipment | 193,939 | 55,438 | 138,501 |
| 392 | Stores Equipment | | | |
| 393 | Tools, Shop, ;& Garage Equipment | | | |
| 394 | Laboratory Equipment | 4,236 | 212 | 4,024 |
| 395 | Power Operated Equipment | 2,940 | 220 | 2,720 |
| 396 | Communications Equipment | | | |
| 397 | Miscellaneous Equipment | 93,591 | 30,947 | 62,644 |
| 398 | Other Tangible Plant | | | |
| | | <u>14,437,703</u> | <u>1,677,948</u> | <u>12,759,755</u> |

COMPANY NAME

Far West Sewer Company

CALCULATION OF DEPRECIATION EXPENSE

| Acct. No. | DESCRIPTION | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2) |
|--------------|---------------------------------|----------------------|-----------------------------------|-------------------------------|
| 351 | Organization | Schedule Attached | | |
| 352 | Franchises | | | |
| 353 | Land and Land Rights | | | |
| 354 | Structures and Improvements | | | |
| 355 | Power Generation Equipment | | | |
| 360 | Collection Sewers - Force | | | |
| 361 | Collection Sewers - Gravity | | | |
| 362 | Special Collecting Structures | | | |
| 363 | Services to Customers | | | |
| 364 | Flow Measuring Devices | | | |
| 365 | Flow Measuring Installations | | | |
| 370 | Receiving Wells | | | |
| 380 | Treatment and Disposal Equip. | | | |
| 381 | Plant Sewers | | | |
| 382 | Outfall Sewer Lines | | | |
| 389 | Other Plant and Misc. Equipment | | | |
| 390 | Office Furniture and Equipment | | | |
| 391 | Transportation Equipment | | | |
| 393 | Tools, Shop and Garage Equip. | | | |
| 394 | Laboratory Equipment | | | |
| 395 | Power Operated Equipment | | | |
| 398 | Other Tangible Plant | | | |
| | TOTALS | 14,437,703 | | 449,999 |

This amount goes on the Comparative Statement of Income and Expense Acct. 403 _____

CALCULATION OF DEPRECIATION EXPENSE
(Schedule for Page 5)

| ACCT NO. | DESCRIPTION | ORIGINAL COST (1) | DEPRECIATION RATE (2) | DEPRECIATION EXPENSE (1X2) |
|-------------|---|----------------------|--------------------------|-------------------------------|
| 351 | Organization | | | |
| 352 | Franchises | 3,076 | 0.00% | 0 |
| 353 | Land and Land Rights | 82,567 | 0.00% | |
| 354 | Structures and Improvements | 213,157 | 3.33% | 7,003 |
| 360 | Collection Sewers, Structures / Force Mains | 423,126 | 2.00% | 8,342 |
| 361 | Collection Sewers/Gravity | 7,689,131 | 2.00% | 139,013 |
| 363 | Services to Customers | | | |
| 364 | Flow Measuring Devices | 37,103 | 10.00% | 3,710 |
| 370 | Receiving Wells | | | |
| 371 | Pumping Equipment | 192,774 | 12.50% | 20,812 |
| 380 | Treatment & Disposal Equipment | 5,444,879 | 5.00% | 222,368 |
| 381 | Plant Sewers | 20,168 | 5.00% | 618 |
| 382 | Outfall Sewer Lines | | | |
| 389 | Other Plant & Miscellaneous Equipment | 16,044 | 6.67% | 1,070 |
| 390 | Office Furniture and Equipment | 7,530 | 6.67% | 390 |
| 390.1 | Computers and Software | 13,442 | 20.00% | 1,997 |
| 392 | Transportation Equipment | 193,939 | 20.00% | 34,996 |
| 393 | Tools, Shop, & Garage Equipment | | | |
| 394 | Laboratory Equipment | 4,236 | 10.00% | 212 |
| 395 | Power Operated Equipment | 2,940 | 5.00% | 147 |
| 396 | Communications Equipment | | | |
| 397 | Miscellaneous Equipment | 93,591 | 10.00% | 9,321 |
| 398 | Other Tangible Plant | | | |
| | | <hr/> | | |
| | | 14,437,703 | | 449,999 |
| | | <hr/> | | |

The half year convention for first year items was used to compute the above depreciation and therefore the depreciation does not correlate with the percentages in column 2.

COMPANY NAME

Far West Sewer Company

BALANCE SHEET

| Acct No. | ASSETS | BALANCE AT BEGINNING OF TEST YEAR | BALANCE AT END OF YEAR |
|-------------|---|---|------------------------------|
| | CURRENT AND ACCRUED ASSETS | | |
| 131 | Cash | \$ 0 | \$ 0 |
| 132 | Special Deposits | | |
| 135 | Temporary Cash Investments | | |
| 141 | Customer Accounts Receivable | 126,081 | 149,871 |
| 146 | Notes/Receivables from Associated Companies | | |
| 151 | Plant Material and Supplies | | |
| 162 | Prepayments | | |
| 174 | Miscellaneous Current and Accrued Assets | | |
| | TOTAL CURRENT AND ACCRUED ASSETS | \$ 126,081 | \$ 149,871 |
| | FIXED ASSETS | | |
| 101 | Utility Plant in Service | \$ 10,836,352 | \$ 14,437,703 |
| 103 | Property Held for Future Use | | |
| 105 | Construction Work in Progress | | 7,690 |
| 108 | Accumulated Depreciation -- Utility Plant | (1,306,220) | (1,677,948) |
| 121 | Non-Utility Property | | |
| 122 | Accumulated Depreciation -- Non Utility | | |
| | TOTAL FIXED ASSETS | \$ 9,530,132 | \$ 12,767,445 |
| | TOTAL ASSETS | \$ 9,656,213 | \$ 12,917,316 |

NOTE: Total Assets on this page should equal Total Liabilities and Capital on the following page.

COMPANY NAME

Far West Sewer Company

BALANCE SHEET (CONTINUED)

| Acct No. | LIABILITIES | BALANCE AT BEGINNING OF TEST YEAR | BALANCE AT END OF YEAR |
|-------------|---|---|------------------------------|
| | CURRENT LIABILITIES | | |
| 231 | Accounts Payable | \$ 41,465 | \$ 46,576 |
| 232 | Notes Payable (Current Portion) | | |
| 234 | Notes/Accounts Payable to Associated Companies | | 1,021 |
| 235 | Customer Deposits | 3,745 | 6,435 |
| 236 | Accrued Taxes | 11,247 | 13,012 |
| 237 | Accrued Interest | | |
| 241 | Miscellaneous Current and Accrued Liabilities | 104,636 | 140,308 |
| | TOTAL CURRENT LIABILITIES | \$ 161,093 | \$ 207,352 |
| | LONG-TERM DEBT (Over 12 Months) | | |
| 224 | Long-Term Notes and Bonds | \$ | \$ |
| | DEFERRED CREDITS | | |
| 252 | Advances in Aid of Construction | \$ 6,065,782 | \$ 7,513,932 |
| 253 | Other Deferred Credits | | |
| 255 | Accumulated Deferred Investment Tax Credits | | |
| 271 | Contributions in Aid of Construction | 2,984,826 | 4,163,842 |
| 272 | Less: Amortization of Contributions | (392,117) | (562,893) |
| 281 | Accumulated Deferred Income Tax | | |
| | TOTAL DEFERRED CREDITS | \$ 8,658,491 | \$ 11,114,881 |
| | TOTAL LIABILITIES | \$ 8,819,584 | \$ 11,322,233 |
| | CAPITAL ACCOUNTS | | |
| 201 | Common Stock Issued | \$ | \$ |
| 211 | Other Paid in Capital | 2,322,123 | 3,580,655 |
| 215 | Retained Earnings | (1,485,494) | (1,985,572) |
| 218 | Proprietary Capital (Sole Props and Partnerships) | | |
| | TOTAL CAPITAL | \$ 836,629 | \$ 1,595,083 |
| | TOTAL LIABILITIES AND CAPITAL | \$ 9,656,213 | \$ 12,917,316 |

COMPANY NAME

Far West Sewer Company

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

| Acct. No. | OPERATING REVENUES | PRIOR YEAR | CURRENT YEAR |
|--------------|-------------------------------------|----------------------|--------------|
| 521 | Flat Rate Revenues | \$ Schedule Attached | \$ |
| 522 | Measured Revenues | | |
| 536 | Other Wastewater Revenues | | |
| | TOTAL REVENUES | \$ | \$ |
| | | | |
| | OPERATING EXPENSES | | |
| 701 | Salaries and Wages | \$ | \$ |
| 710 | Purchased Wastewater Treatment | | |
| 711 | Sludge Removal Expense | | |
| 715 | Purchased Power | | |
| 716 | Fuel for Power Production | | |
| 718 | Chemicals | | |
| 720 | Materials and Supplies | | |
| 731 | Contractual Services – Professional | | |
| 735 | Contractual Services – Testing | | |
| 736 | Contractual Services – Other | | |
| 740 | Rents | | |
| 750 | Transportation Expense | | |
| 755 | Insurance Expense | | |
| 765 | Regulatory Commission Expense | | |
| 775 | Miscellaneous Expense | | |
| 403 | Depreciation Expense | | |
| 408 | Taxes Other Than Income | | |
| 408.11 | Property Taxes | | |
| 409 | Income Taxes | | |
| | TOTAL OPERATING EXPENSES | \$ | \$ |
| | | | |
| | OTHER INCOME/EXPENSE | | |
| 419 | Interest and Dividend Income | \$ | \$ |
| 421 | Non-Utility Income | | |
| 426 | Miscellaneous Non-Utility Expenses | | |
| 427 | Interest Expense | | |
| | TOTAL OTHER INCOME/EXPENSE | \$ | \$ |
| | | | |
| | NET INCOME/(LOSS) | \$ (580,642) | \$ (500,078) |

COMPARATIVE STATEMENT OF INCOME

| | Prior Year | Current Year |
|---|------------------|------------------|
| OPERATING REVENUES: | | |
| 521 Flat Rate Revenues | 815,867 | 1,065,905 |
| 522 Measured Revenues | | |
| 536 Other Operating Revenues | <u>70,355</u> | <u>192,557</u> |
| Total Operating Revenues | <u>886,222</u> | <u>1,258,462</u> |
| OPERATING EXPENSES: | | |
| 701 Salaries & Wages | 372,682 | 401,131 |
| 710 Purchased Wastewater Treatment | | |
| 711 Sludge Removal Expense | 48,030 | 94,784 |
| 715 Purchased Power | 180,389 | 128,893 |
| 716 Fuel for Power Production | 1,355 | |
| 718 Chemicals | 50,046 | 59,152 |
| 720 Materials & Supplies | 53,522 | 75,104 |
| 721 Office Supplies & Expense | 14,905 | 15,156 |
| 731 Contract Services, Professional | 349,000 | 347,772 |
| 735 Contract Services, Testing | 37,119 | 36,376 |
| 736 Contract Services, Other | 2,450 | 11,149 |
| Repairs & Maintenance | 65,523 | 172,158 |
| 740 Rents | 10,550 | 20,034 |
| 750 Transportation Expense | 19,227 | 21,676 |
| 755 Insurance Expense | 25,629 | 36,067 |
| 765 Regulatory Commission Expense | 2,132 | 2,553 |
| Wastewater Resource Cons Exp | 2,300 | |
| 775 Miscellaneous Operating Exp. | 1,482 | 32,173 |
| 408 Taxes other than Property and Income | 2,086 | 7,093 |
| 408.11 Property Tax | 22,493 | 26,023 |
| 403 Depreciation | 337,966 | 449,999 |
| Amortization of CIAC | -122,384 | -170,776 |
| 409 Income Tax | | |
| TOTAL OPERATING EXPENSES | <u>1,476,502</u> | <u>1,766,517</u> |
| OPERATING INCOME (LOSS) | -590,280 | -508,055 |
| OTHER INCOME\EXPENSE: | | |
| 419 Interest Income | | |
| 421 Non Utility Income | 14,551 | 8,959 |
| 426 Misc Non-Utility Expense | | |
| 427 Interest Expense | -4,913 | -982 |
| TOTAL OTHER INCOME\EXPENSE | <u>9,638</u> | <u>7,977</u> |
| NET INCOME (LOSS) | <u>-580,642</u> | <u>-500,078</u> |

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

| | LOAN #1 | LOAN #2 | LOAN #3 | LOAN #4 |
|------------------------|---------|---------|---------|---------|
| Date Issued | | | | |
| Source of Loan | | | | |
| ACC Decision No. | | | | |
| Reason for Loan | | | | |
| Dollar Amount Issued | \$ | \$ | \$ | \$ |
| Amount Outstanding | \$ | \$ | \$ | \$ |
| Date of Maturity | | | | |
| Interest Rate | % | % | % | % |
| Current Year Interest | \$ | \$ | \$ | \$ |
| Current Year Principle | \$ | \$ | \$ | \$ |

COMPANY NAME

Far West Sewer Company

WASTEWATER COMPANY PLANT DESCRIPTION**TREATMENT FACILITY**

| | |
|---|------------------|
| TYPE OF TREATMENT (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.) | See Attachment A |
| DESIGN CAPACITY OF PLANT (Gallons Per Day) | See Attachment A |

LIFT STATION FACILITIES

| Location | Quantity of Pumps | Horsepower Per Pump | Capacity Per Pump (GPM) | Wet Well Capacity (gals) |
|------------------|-------------------|---------------------|-------------------------|--------------------------|
| See Attachment B | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

FORCE MAINS

| Size | Material | Length (Feet) |
|--------|----------|---------------|
| 4-inch | PVC | 6,140 |
| 6-inch | PVC | 12,300 |
| 3-inch | PVC | 5,000 |
| | | |

MANHOLES

| Type | Quantity |
|----------|----------|
| Standard | 855 |
| Drop | 15 |
| | |

CLEANOUTS

| Quantity |
|----------|
| 110 |
| |
| |

COMPANY NAME

Far West Sewer Company

WASTEWATER COMPANY PLANT DESCRIPTION (CONTINUED)**COLLECTION MAINS**

| Size (in inches) | Material | Length (in feet) |
|---------------------|----------|---------------------|
| 4 | | |
| 6 | PVC | 25,279 |
| 8 | PVC | 301,772 |
| 10 | PVC | 17,335 |
| 12 | PVC | 15,072 |
| 15 | PVC | 2,652 |
| 18 | PVC | 475 |
| 21 | | |
| 24 | | |
| 30 | | |

SERVICES

| Size (in inches) | Material | Quantity |
|---------------------|----------|----------|
| 4 | PVC | 7,156 |
| 6 | PVC | 0 |
| 8 | PVC | 1 |
| 12 | | |
| 15 | | |
| | | |
| | | |
| | | |
| | | |

FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY

| | |
|---|--|
| SOLIDS PROCESSING AND HANDLING FACILITIES | 25 Acre solar drying bed facility |
| DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.) | 3 Ea. 65 Gal Upflow Chlorinators 2 Ea. UV banks |
| FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.) | None |
| STRUCTURES (Buildings, Fences, Etc.) | See Attachment C |
| OTHER (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.) | See Attachment D |

COMPANY NAME

Far West Sewer Company

WASTEWATER FLOWS

| MONTH/YEAR (Most Recent 12 Months) | NUMBER OF SERVICES | TOTAL MONTHLY SEWAGE FLOW | SEWAGE FLOW ON PEAK DAY |
|---|-------------------------------|--------------------------------------|------------------------------------|
| January, 2004 | 5,063 | 15,477,000 | 729,000 |
| February, 2004 | 5,090 | 15,686,000 | 782,000 |
| March, 2004 | 4,616 | 15,926,000 | 687,000 |
| April, 2004 | 4,119 | 12,019,000 | 550,000 |
| May, 2004 | 3,881 | 10,301,000 | 503,000 |
| June, 2004 | 3,814 | 9,464,000 | 466,000 |
| July, 2004 | 3,736 | 9,466,000 | 518,000 |
| August, 2004 | 3,915 | 10,289,000 | 629,000 |
| September, 2004 | 4,266 | 10,945,000 | 580,000 |
| October, 2004 | 5,210 | 12,914,000 | 707,000 |
| November 2004 | 5,953 | 16,131,000 | 783,000 |
| December 2004 | 6,200 | 17,777,000 | 777,000 |

PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE

| | |
|---|--|
| Method of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.) | Reuse 71.5% Evaporation Ponds 28.5% |
| Wastewater Inventory Number (all wastewater systems are assigned an inventory number) | 44-004 |
| Groundwater Permit Number | N/A |
| ADEQ Aquifer Protection Permit Number | See Attachment E |
| ADEQ Reuse Permit Number | See Attachment E |
| EPA NPDES Permit Number | N/A |

STATISTICAL INFORMATION

Total number of customers 6,200

Total number of gallons treated 156,395,000 gallons

COMPANY NAME Far West Sewer Company

YEAR ENDING 12/31/2004

INCOME TAXES

For this reporting period, provide the following:

| | |
|---|----|
| Federal Taxable Income Reported | NA |
| Estimated or Actual Federal Tax Liability | NA |

| | |
|---|----|
| State Taxable Income Reported | NA |
| Estimated or Actual State Tax Liability | NA |

Amount of Grossed-Up Contributions/Advances:

| | |
|---|--|
| Amount of Contributions/Advances | |
| Amount of Gross-Up Tax Collected | |
| Total Grossed-Up Contributions/Advances | |

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

SIGNATURE

DATE

PRINTED NAME

TITLE

COMPANY NAME Far West Sewer Company

YEAR ENDING 12/31/2004

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2004 was: \$ 24,258.22

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

APR 11 2005

AZ Corporation Commission
Director of Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

| |
|--------------------------------|
| COUNTY OF (COUNTY NAME) |
| Yuma |
| NAME (OWNER OR OFFICIAL) TITLE |
| Debbie Gunter, Controller |
| COMPANY NAME |
| Far West Sewer Company |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| MONTH | DAY | YEAR |
|-------|-----|------|
| 12 | 31 | 2004 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

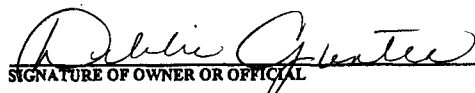
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 1,258,462

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ -0-
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
928-342-3344
TELEPHONE NUMBER

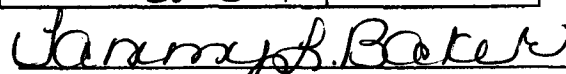
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 30 DAY OF


TAMMY L. BAKER
Notary Public
(SEAL)
MY COMMISSION EXPIRES 6-30-05

| | |
|-------------|-------------|
| COUNTY NAME | Yuma |
| MONTH | march, 2005 |


SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

APR 11 2005

AZ CORPORATION COMMISSION
Director of Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| MONTH | DAY | YEAR |
|-------|-----|------|
| 12 | 31 | 2004 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 1,217,003

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ -0-
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

X Debbie Gunter
SIGNATURE OF OWNER OR OFFICIAL

928-342-3344

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

30

DAY OF

(SEAL)

MY COMMISSION EXPIRES

TAMMY L. BAKER
Notary Public - Arizona
YUMA COUNTY
My Commission Expires
JUNE 20, 2005

| | |
|--------------------|-----------------------|
| NOTARY PUBLIC NAME | <u>Tammy L. Baker</u> |
| COUNTY NAME | <u>Yuma</u> |
| MONTH | <u>March</u> |
| | <u>2005</u> |

X Tammy L. Baker
SIGNATURE OF NOTARY PUBLIC

6-20-05

Attachment A

Far West Sewer Company 44-004

WASTEWATER PLANT DESIGN CAPACITIES 2004

| <u>WWTP</u> | <u>TREATMENT TYPE</u> | <u>DESIGN CAPACITY</u> |
|--------------------|-----------------------|------------------------|
| Far West Sewer | SBR | 500,000 GPD |
| Section 14 | SBR | 150,000 GPD |
| MDS - Villa Royale | Ext. Aeration | 20,000 GPD |
| MDS - Del Oro | SBR | 150,000 GPD |
| MDS - Del Rey | Ext. Aeration | 40,000 GPD |
| Seasons | Ext. Aeration | 50,000 GPD |
| Palm Shadows | Ext. Aeration | 200,000 GPD |

Attachment B**Far West Sewer Company****44-004****WASTEWATER LIFT STATION FACILITIES****2004**

| <u>Location</u> | <u>Quantity of Pumps</u> | <u>Horsepower Per Pump</u> | <u>Capacity per Pump (GPM)</u> | <u>Wet Well Capacity (Gals)</u> |
|----------------------|------------------------------|--------------------------------|-------------------------------------|-------------------------------------|
| DFE #7 | 2 | 7.5 | 150 | 3,000 |
| FME #15 | 2 | 15 | 300 | 8,000 |
| FME #16 | 2 | 15 | 300 | 4,000 |
| FME #25 | 2 | 11 | 220 | 4,000 |
| FME #27 | 2 | 7 | 140 | 4,000 |
| FH Grocery Store | 1 | 2 | 40 | 2,000 |
| Ocatillo Plaza | 1 | 3 | 60 | 2,000 |
| Domino's Pizza | 2 | 1 | 20 | 2,000 |
| Foothills Hardware | 1 | 3 | 60 | 2,000 |
| Vista Del Sol | 2 | 15 | 300 | 4,000 |
| Mesa del Sol #11 | 2 | 15 | 300 | 4,000 |
| Mesa del Sol #12 | 2 | 15 | 300 | 4,000 |
| Foothills Restaurant | 1 | 2 | 60 | 2,000 |
| Palm Shadows WWTP | 2 | 25 | 500 | 6,000 |
| Del Oro WWTP | 2 | 3 | 60 | 6,000 |
| Section 14 WWTP | 2 | 7.5 | 150 | 6,000 |

Attachment C

Far West Sewer Company 44-004 WASTEWATER STRUCTURES 2004

| | |
|----------------|---|
| Far West Sewer | 576 Cu. Ft. operations building surrounded with 6 ft. chain link fence. |
| Section 14 | 576 Cu. Ft. operations building surrounded with 6 ft. block wall. |
| MDS-Del Oro | 576 Cu. Ft. operations building surrounded with 6 ft. block wall. |
| Palm Shadows | 576 Cu. Ft. operations building surrounded with 6 ft. chain link fence. |
| Seasons | 576 Cu. Ft. operations building surrounded with 6 ft. block wall. |
| Del Rey | Surrounded with 6 Ft. chain link fence. |
| Villa Royale | Surrounded with 6 Ft. block wall. |
| Far West Yard | 800 Cu Ft. shop building surrounded with 6 Ft. block wall |

Attachment D

Far West Sewer Company

44-004

WASTEWATER EQUIPMENT (OTHER)

2004

| <u>Quantity</u> | <u>Description</u> |
|-----------------|---|
| 2 | Royce MLSS Meters |
| 3 | PH Meters |
| 3 | NH3 Meters |
| 3 | NO3 Meters |
| 3 | NO2 Meters |
| 2 | Centrifuges |
| 2 | Microscopes |
| 1 | NTU Meter |
| 2 | C12 Meters |
| 3 | DO Meters |
| 1 | Manning Portable Composite Sampler |
| 1 | Portable Air Compressor |
| 8 | Complete Sets of Confined Space Entry Equipment |
| 8 | 4 Gas Monitors |
| 1 | 100 Ft Sewer Snake |
| 1 | VAC CON Combination Hydrojet/ Vacuum Trk |
| 1 | Isuzu Flat Bed Trk w/ Power Winch |
| 2 | Dodge Pickups |
| 1 | Chevrolet Pickup |
| 1 | Pickup |
| 1 | Ford Water Truck |

Attachment E

**Far West Sewer Company
44-004
ADEQ PERMIT NUMBERS**

| <u>WWTP</u> | <u>APP NUMBER</u> | <u>REUSE NUMBER</u> |
|--------------------|-------------------|---------------------|
| Far West Sewer | 102829 | R102829 |
| Section 14 | 105014 | R105014 |
| MDS - Villa Royale | 100221 | R100221 |
| MDS - Del Oro | 101816 | R100221 |
| MDS - Del Rey | 101814 | R100221 |
| Seasons | 103618 | N/A |
| Palm Shadows | 103608 | N/A |

YUMA COUNTY TREASURER - Receipt of Tax Payment

Receipt 3067477

ACCOUNT: U0000005

PARCEL NO:

DATE RECEIVED: 04/29/2004

RECEIVED BY: MM

FAR WEST WATER & SEWER INC

12486 S FOOTHILLS BLVD
YUMA, AZ 85367

DESCRIPTION:

CENTRALLY VALUED PROPERTY ACCOUNT 52-803 PARCEL NUMBERS
106-20-137B, 106-26-045A.

PAYOR:
FAR WEST WATER & SEWER INC

REFERENCE:
CHECK 19085

11,155.18

2003

TAX PAYMENT SECOND HALF

11,155.18

RECEIPT TOTAL

\$11,155.18

ALL CHECKS SUBJECT TO FINAL COLLECTION !
THANK YOU - YUMA COUNTY TREASURER
410 MAIDEN LN STE C
YUMA, AZ 85364

YUMA COUNTY TREASURER - Receipt of Tax Payment

Receipt 3067476

ACCOUNT: R0045860

CCEL NO: 14-112-20-040-03-7

DATE RECEIVED: 04/29/2004

RECEIVED BY: MM

FAR WEST WATER & SEWER INC AZ CORP

12486 S FOOTHILLS BLVD
YUMA, AZ 85367

DESCRIPTION:

SE4 SW4 SE4 SEC 12 T9S R21W

PAYOR:

FAR WEST WATER & SEWER INC AZ

REFERENCE:

CHECK 19086

91.51

2003

TAX PAYMENT SECOND HALF

91.51

RECEIPT TOTAL

\$91.51

ALL CHECKS SUBJECT TO FINAL COLLECTION !

THANK YOU - YUMA COUNTY TREASURER

410 MAIDEN LN STE C

YUMA, AZ 85364

Account: U0000005
Parcel Nb: -----

Receipt Date: 29-OCT-2004
Receipt No: 40029499

Print Date: 29-OCT-2004
TransNo: 62041029154625

Page: 1

FAR WEST WATER & SEWER INC

12486 S FOOTHILLS BLVD
YUMA AZ 85367

CENTRALLY VALUED PROPERTY ACCOUNT 55-503. PARCEL NUMBERS 106-20-137B, 106-26-045A.

FAR WEST WATER & SEWER INC

Check 20093

\$12,916.38

| | | | | | | |
|------|----------------|-----------|------|------|------|-----------|
| 2004 | TAX First half | 12,916.38 | 0.00 | 0.00 | 0.00 | 12,916.38 |
|------|----------------|-----------|------|------|------|-----------|

| | | | | | | |
|------|-----------|------|------|-----------|-----------|-----------|
| 2004 | 25,832.76 | 0.00 | 0.00 | 25,832.76 | 12,916.38 | 12,916.38 |
|------|-----------|------|------|-----------|-----------|-----------|

BALANCE DUE AS OF 10/29/2004 12,916.38

THANK YOU FOR YOUR PAYMENT
All payments made by check are subject to final bank clearance.
YUMA COUNTY TREASURER
410 MAIDEN LN STE C
YUMA, AZ 85364

Account: R0045860 Receipt Date: 29-OCT-2004 Print Date: 29-OCT-2004 Page: 1
Parcel Nb: 14-112-20-040-03-7 Receipt No: 40029496 TransNo: 62041029154542

FAR WEST WATER & SEWER INC AZ CORP

YUMA 85365

12486 S FOOTHILLS BLVD
YUMA AZ 85367

SE4 SW4 SE4 SEC 12 T9S R21W

FAR WEST WATER & SEWER INC AZ CORP

Check 20092

\$95.15

| | | | | | | |
|------|----------------|-------|------|------|------|-------|
| 2004 | TAX First half | 95.15 | 0.00 | 0.00 | 0.00 | 95.15 |
|------|----------------|-------|------|------|------|-------|

| | | | | | | |
|------|--------|------|------|--------|-------|-------|
| 2004 | 190.30 | 0.00 | 0.00 | 190.30 | 95.15 | 95.15 |
|------|--------|------|------|--------|-------|-------|

BALANCE DUE AS OF

10/29/2004

95.15

THANK YOU FOR YOUR PAYMENT

All payments made by check are subject to final bank clearance.

YUMA COUNTY TREASURER

410 MAIDEN LN STE C

YUMA, AZ 85364